

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113
THURSDAY, APRIL 29, 1999
8:15 A.M.**

Commissioners Present: Kathy Campbell, Chair
Bob Workman
Bernie Heier
Larry Hudkins

Commissioners Absent: Linda Steinman

Others Present: Kerry Eagan, Chief Administrative Officer
Diane Staab, Deputy County Attorney
Bruce Medcalf, County Clerk
Gwen Thorpe, Deputy County Clerk
Ann Taylor, County Clerk's Office

AGENDA ITEM

1 APPROVAL OF STAFF MEETING MINUTES OF THURSDAY, APRIL 22, 1999

MOTION: Hudkins moved and Workman seconded approval of the minutes. On call Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

2 ADDITIONS TO THE AGENDA

None were stated.

3 ACTION ITEMS

- a. Authorizing Lancaster County Sheriff to Proceed with Hiring of Security Staff

MOTION: Hudkins moved and Workman seconded to authorize Terry Wagner, Lancaster County Sheriff, to proceed with hiring of security staff for the Justice and Law Enforcement Center. On call Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

4 CONSENT ITEMS

- a. Microcomputer Request, C#99120 for \$1,681.30 from the Corrections Budget for a Compaq Deskpro

- b. Microcomputer Request, C#99121 for \$937.73 from the County Clerk's Budget for A Compaq Pentium
- c. Request from Doug Ahlberg, Emergency Management Director, to Attend Nebraska Emergency Management Agency (NEMA) Training Session in Kansas City
- d. Additional Appropriations Letter to Elected Officials and Department Heads

MOTION: Workman moved and Heier seconded approval of the Consent Items. On call Hudkins, Heier, Workman and Campbell voted aye. Motion carried.

5 DISCUSSION OF BOARD MEMBER MEETINGS

- a. Master Plan Steering Committee - Hudkins

No report was given.

- b. Information Services Policy Committee - Steinman, Workman

Workman reported that Noxious Weed Control Authority is now on the system.

- c. Human Services Executive Committee - Campbell, Steinman

Campbell reported that discussion focused on the Human Services Needs Assessment and Comprehensive Plan. She noted that Steering Committee membership will be expanded to include representatives from the Lincoln Public Schools and Lincoln Housing Authority.

6 LEGISLATIVE UPDATE - Gordon Kissel, Legislative Consultant

Gordon Kissel, Legislative Consultant, presented a legislative update (Exhibit A) noting the following:

- * The Legislature appropriated 4.5 million dollars for renovation of the corrections facility in Geneva and funding of a Juvenile Facility Master Plan, as provided for in LB 652. Kissel anticipates that the Legislature will pass LB 652, with delayed implementation of the boarding costs. Senator Thompson will meet with Governor Johanns to discuss his concerns regarding the legislation.
- * The budget includes 6.8 million dollars for county jail reimbursements, provided for in LB 695, which was passed in 1998.
- * The change to the motor vehicle tax distribution formula will provide an additional 14.2 million dollars to counties. Lancaster County's share is estimated to be in excess of 2 million dollars. In response to the motor vehicle tax distribution increase, the Appropriations Committee has reduced state aid to counties by 5.8 million dollars. Negative impact to Lancaster County is projected to be \$600,000.

Dave Kroeker, Budget & Fiscal Officer, stated these are restricted revenues under the lid. He noted, however, that property tax relief is negated when state aid is reduced.

Campbell requested Kroeker to provide an assessment to the Board, at the end of the legislative session, of the fiscal impact of this year's legislation to the County.

Kissel reported the Appropriations Committee has also recommended:

- * 1.1 million dollars in aid to area agencies on aging
- * 4.5 million in mental health aid
- * 1 million dollars in substance abuse aid to establish expanded community based programs

Kissel reported the Nebraska Association of County Officials (NACO) is taking the lead in opposition to LB 770, which changes the exempt amount for inheritance tax purposes.

Eagan noted that this legislation shifts the County's inheritance tax receipts to the State, rather than heirs, in estates that owe federal inheritance tax.

The Board agreed to contact members of the Lancaster County Senate Delegation to discuss the fiscal impact of the bill. Contacts are as follows:

Campbell - Senator Schimek
Hudkins - Senator Crosby
Heier - Senators Hudkins and Byars
Workman - Senators Raikes and Price
Steinman - Senators Landis and Beutler

MOTION: Hudkins moved and Workman seconded to direct Dave Kroeker, Budget & Fiscal Officer, to prepare a fact sheet for the County Board and to direct Kerry Eagan, Chief Administrative Officer, to write a letter to members of the Lancaster County Senate Delegation, indicating the County's opposition to LB 770 and noting that a County Commissioner will followup with a phone call. On call Hudkins, Workman, Heier and Campbell voted aye. Motion carried.

Workman distributed copies of a letter from Jane Burke, attorney representing American Federation of State, County & Municipal Employees (AFSCME) Local 2468 and Fraternal Order of Police (FOP) Lodge 32, in which an explanation as to why the County Board did not seek a legislative change with regards to the Employee Assistance Team was requested (Exhibit B).

Campbell stated that the Board did not receive a proposal for specific changes, noting that Diane Staab, Deputy County Attorney, was the recipient of that information from the Personnel Department. She stated this information was received after legislative priorities had been established by the Board.

Campbell and Eagan will contact Staab and John Cripe, Classification and Pay Manager, to seek an outline of the unions' discussions with the Personnel Department, and will draft a letter of response to Burke.

Kroeker reported that Douglas County has inquired about Lancaster County's position on LB 734, which changes public defender compensation provisions.

Board consensus to oppose this legislation.

Brief discussion took place on LB 496, which changes right-of-way for telecommunications lines and related facilities and eminent domain powers, with a request that a copy of the revised bill be forwarded to Tom Duchen and Tom Creighton, Telecommunications Consultants.

7 BOARD OF EQUALIZATION OVERVIEW - Norm Agena, County Assessor; Robin Hendricksen, Chief Administrative Deputy Assessor; Mike Thew, Chief Deputy County Attorney; Wayne Kubert, Tom Kubert and Rob Ogden, Referee Coordinators

Eagan distributed copies of *Equalization By County Board*, an outline of the Board of Equalization's purpose and duties (Exhibit C); a summary of the statutory duties of the County Assessor (Exhibit D); and *Property Tax Division Purpose* and *Property Tax Calendar*, submitted by the Nebraska Property Tax Administrator (Exhibit E).

Mike Thew, Chief Deputy County Attorney, explained the Nebraska Revised Statutes and the rules set forth by the Tax Equalization and Review Commission (TERC) dictate the process by which the Board of Equalization's makes decisions with regards to the setting of values and equalization. He noted that each decision of the Board of Equalization has implications beyond a particular case and the Board could create disparity in equalization if the statutes and rules are not applied uniformly.

Thew stated that Lancaster County developed the referee system to assist the Board of Equalization with the property valuation protest process, in accordance with the Nebraska Revised Statutes. He explained this process as follows:

- * Referee coordinators hire individual referees with expertise in various classes of property and work with the County Clerk to schedule times for those individuals filing property valuation protests to meet with the referees.
- * Referees document the evidence submitted, perform an analysis and submit a recommendation with regards to the valuation.
- * Referee coordinator reviews the referees' recommendations to ensure consistency within classes.
- * Recommendations are returned to the Board of Equalization, which takes final action on the values.

Thew said the burden of proof is on the taxpayer to present evidence to the referee to support a request for reduction. Only new evidence that affects the validity of the referee's recommendation will be heard by the Board of Equalization.

In response to a question from Heier, Eagan stated information brought forward following initial consideration by the Board of Equalization will be placed in the record and may be considered, at the Board's discretion.

Thew reported that a pre-screen process is also in place in the County Assessor's office to work with taxpayers in correcting errors in property description, thereby eliminating a number of appeals. These pre-screens are included in action by the Board of Equalization. He noted that any taxpayer dissatisfied with the final decision of the Board of Equalization may appeal that decision to the Tax Equalization and Review Commission (TERC).

Norm Agena, County Assessor, provided a brief overview of the duties of his office, noting the following statistics for Lancaster County:

- * There are 65 property classes, with approximately 95,000 accounts serviced on an annual basis
- * Political subdivisions, with levying authority, total 72 in number, with 110 taxing districts
- * Approximately 900 applied for, or permissive, exemptions are administered each year
- * Homestead exemptions total approximately 5,000 each year

Agena also reviewed the *Property Tax Calendar* (included in Exhibit E) noting the following dates of significance with regards to the property valuation protest process:

- * January 1 - Assessment of real and personal property is determined as of 12:01 a.m.
- * June 1 - Assessor send notice of valuation change to owner of any property whose value has increased or decreased
- * June 30 - Individual real property protest deadline
- * July 25 - Final decision by Board of Equalization on all protests and pre-screens

Campbell noted that the Board of Equalization will take tentative action on all protests and pre-screens on July 24th. She requested the County Clerk's Office to provide the wording of all routine motions to the County Attorney's Office for review, prior to that time.

Agena reported that 22,322 notices of increases were sent out to property owners this year, for a total valuation increase of approximately 820 million dollars. He stated that historically, 12-15% of property owners receiving an increase file a protest. Last year his office sent property owners a listing of the comparable sales used to establish a new market value on the residential properties and only 5% of property owners elected to protest their valuations.

Agena assured the Board that his office does not adjust assessed value to the sales price of the property, a practice commonly referred to as "chasing sales". He stated that all sales are reviewed, however, and a neighborhood or particular style of house may be adjusted if the County Assessor's Office determines that those values are off.

Thew noted that TERC grades the County's assessments using a sales assessment ratio, with a 92-100% level of assessment required.

In response to a question from Hudkins, Agena explained that Coefficient of Dispersion (COD) and Price Related Differential (PRD) are statistical measures used to check the level of assessment.

Robin Hendricksen, Chief Administrative Deputy Assessor, briefly reviewed *Lancaster County Property Class Codes* (Exhibit F) and a listing of increases by property class for the 1999 tax year (Exhibit G), noting that a large number of protests are anticipated this year in the acreage class.

Hendricksen explained the County Assessor's system of market modeling, noting that 5,500 qualified sales are included in the computer system with criteria to identify the five most comparable sales. Each comparable is then adjusted to arrive at an assessment of the subject property. He noted that market modeling is utilized for approximately 70,000 of the 88,000 parcels in the County and if comparables are not available, a cost or override approach is used.

Hendricksen stated the County Assessor's Office hopes to be back on a schedule of County-wide revaluation of all classes of property by the year 2,002.

Agena noted that this year's budget request includes a statistical/modeling analyst to work on refinement of the market modeling system in preparation for that County-wide revaluation.

Tom Kubert, Referee Coordinator, reviewed the *Lancaster County Board of Equalization Training Session Booklet* (Exhibit H), which includes the following:

- * Policies and procedures
- * Responsibilities of the Coordinator, Referees, County Clerk and County Assessor
- * Overview of property valuation protest process and forms utilized to meet TERC's reporting requirements

Rob Ogden, Referee Coordinator, noted that the Board of Equalization can override the referee's recommendation in establishing value. The referee coordinators will be on hand at the Board of Equalization hearings to explain those recommendations and review any additional information brought forth by property owners.

They noted that any decision by the Board of Equalization to override the referee's recommendation must be justified in the record, should the case be appealed to TERC.

Kubert stated that approximately 70 hours are anticipated to be necessary for scheduling of Board of Equalization hearings this year. Hearings will begin before the filing deadline, so if the number of protests filed is less than anticipated, the hearing schedule will be shortened.

Campbell requested that fields indicating prior year value and situs address be added to reports in the Board of Equalization's workbooks.

Kubert reviewed the billing summary for last year, noting that the time required to review rural properties may impact the year's costs.

Agena reported it costs \$850-\$1,000 for the County Assessor's Office to prepare a case for hearing before the Tax Equalization and Review Commission.

Bruce Medcalf, County Clerk, stated his office also incurs costs related to transcription of the record.

Campbell reported that last year's Board of Equalization costs totaled \$236,000. She stated that the issue of how long the County can continue to incur the expense of a referee system in addition to scheduled hearing before the Board of Equalization needs to be debated by the Board. She noted it has been suggested that submission of written comments to the Board of Equalization by the property owner, rather than a scheduled hearing, may be more cost effective.

The Board proceeded with a tour of the County Assessor's Office.

NOTE: Craig Nelson, Nebraska Association of County Officials (NACO) Legal Counsel, and Elaine Menzel, Assistant Legal Counsel, were also in attendance during the work session and tour.

8 ADMINISTRATIVE OFFICER REPORT

- a. Resignation of George Hanigan, Community Mental Health Center Director

Eagan reported that George Hanigan, Community Mental Health Center Director, effective May 28, 1999, to accept a position as Deputy Director of Behavioral Health for the State of Nebraska.

MOTION: Hudkins moved and Heier seconded to accept the resignation of George Hanigan, Community Mental Health Center Director. On call Hudkins, Heier, Workman and Campbell voted aye. Motion carried.

Eagan said Hanigan will submit a recommendation with regards to appointment of an Interim Director.

The Board directed Eagan to contact the Personnel Department regarding advertisement placement in professional journals.

- b. Letter of Support for Jim Blue, Cedars Youth Services Executive Director, for the Francis Hesselbein Community Innovation Fellow Program

Board consensus to refrain from sending an official letter of recommendation, although Board members who wish to do so, may send individual letters of support.

The Board also directed Eagan to seek an opinion from the Nebraska Accountability and Disclosure Commission with regards to use of County Board of Commissioners letterhead in letters of recommendation.

c. County Sponsorship of Employees Participating in the Corporate Run

Board consensus to authorize payment of the entry fee for County employees participating in the Corporate Run. Participants may pay an additional fee of \$1.00 to have a County logo placed on the t-shirt provided to those participating in the event.

14 EMERGENCY ITEMS AND OTHER BUSINESS

Workman reported briefly on a meeting held in April 28th in Waverly to discuss Lincoln Electric Systems plans to build electrical facilities east of Lincoln.

15 ADJOURNMENT

Bruce Medcalf
Lancaster County Clerk